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FOREIGN CROPS and MARKETS

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L A T E C A B L E S

Argentina first official estimate of 1940-41 corn plantings placed at 15,320,000 acres as compared with 17,791,000 acres planted in 1939-40; rice acreage estimated at 73,000 acres against ~~79,000~~ acres in 1939-40.

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N O T I C E

The index to Foreign Crops and Markets, Vol. 40, January-June 1940, is now available and will be sent to those requesting it.

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G R A I N SCANADA'S FINAL GRAIN ESTIMATES
INCLUDE UPWARD REVISION FOR WHEAT . . .

The third and final estimates of the 1940 grain crops of Canada, as issued by the Dominion Bureau of Statistics at Ottawa, indicate a larger harvest than that of 1939. The increase resulted almost entirely from the larger wheat crop, which was placed at 551,390,000 bushels, second only to the record outturn of 566,726,000 bushels in 1928 and nearly 31 million bushels above the revised 1939 crop. In the Prairie Provinces, where the bulk of the Canadian wheat crop is grown, an increase of 5 million bushels over the November estimate was reported. As a result of the reported stocks on farms and the average yields per acre obtained, production in the Provinces of Manitoba and Alberta was reduced from the November figures by 4 and 3 million bushels, respectively, but in Saskatchewan the outturn was revised upward by 12 million bushels. The production of durum wheat in the Prairies was estimated at 8.5 million bushels as against 10.8 in 1939.

The total rye crop was placed at 13,994,000 bushels as compared with 15,307,000 bushels produced in 1939. The production of oats was revised downward from the November estimate to 404,309,000 bushels and compares with 408,432,000 bushels reported for 1939. The barley crop, now placed at 104,256,000 bushels, was about 1 million bushels larger than the 1939 outturn. Corn for husking declined from the large 1939 crop of 8,097,000 bushels to 6,956,000 bushels. The outturn of mixed grains was also reduced.

CANADA: Production of specified grain crops,
average 1933-1937, annual 1938-1940

Crop	Average	Annual		
	1933-1937	1938	1939	1940
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Wheat	247,821	360,010	520,623	551,390
Rye	5,708	10,938	15,307	13,994
Barley	73,225	102,242	103,147	104,256
Oats	332,173	394,593	408,432	404,309
Corn <u>a/</u>	6,223	7,690	8,097	6,956

Dominion Bureau of Statistics, Ottawa.

a/ Corn for husking.

The gross farm value of all field crops in 1940 (in Canadian currency) is now placed at \$651,228,000, a decrease of 5 percent from the revised valuation of the 1939 crops, but wheat production is valued at \$283,269,000 as against \$282,151,000 in the previous year. The

increase in the size of the 1940 outturn over that of 1939 offset a small decline in the average price received per bushel, from 54 to 51 cents at point of production.

For the second year in succession, the 1940 crop season was generally favorable throughout Canada, with grain yields in the Prairie Provinces especially good. In eastern Canada, returns were not quite so satisfactory as in the previous year; a backward spring delayed seeding, but crop development was good during the summer. Wheat was sown under satisfactory moisture conditions in Alberta and parts of Manitoba, but elsewhere in the Prairies, moisture reserves were somewhat depleted. Rainfall in June, however, and timely showers later in the summer resulted in yields above early expectations.

In arriving at the final estimate of wheat production in the Prairie Provinces, 525 million bushels, the marketing records proved of little value this season, because of the quota system imposed on deliveries by farmers. Reports made in November and again in December of wheat stocks remaining on farms, together with reported yields per acre, served as a basis for the final estimate. The primary movement from farms from August 1, 1940, to January 10, 1941, totaled only about 291 million bushels as against 365 million in the corresponding period of last season. Total farm stocks, minus estimated feed and seed requirements for the year, were placed at 191 million bushels on January 10. Feeding to livestock and poultry on farms is expected to total about 10 million bushels above the 19 million bushels used for this purpose in 1939, but seed requirements seem likely to be reduced from 34 to 28 million bushels, according to the Dominion report.

The wheat crop of the Prairie Provinces is again of exceptionally good quality. The grades reported this season are only slightly below the record high grades of 1939. The protein content of the grain is said to be just the same as in the previous year. Because of the scarcity of low grades in the two crops, little feeding wheat is expected to be available this season for the livestock industry.

CANADIAN WHEAT EXPORTS BELOW PAST TWO SEASONS . . .

Exports of wheat, including flour as grain, from Canada during the first 5 months of the July-June marketing season totaled somewhat less than 73 million bushels as compared with 87 and 81 million bushels, respectively, during July-November 1939 and 1938. Shipments destined for the United Kingdom were slightly larger than in 1939 and about the same as in 1938, but represented a larger percentage of the total. Exports to Ireland were larger than in the previous season, but somewhat

smaller than in July-November 1938. The British West Indies increased their takings, but shipments to the Orient and the Philippine Islands were reduced from the past two seasons. Several Latin American countries took more Canadian wheat, mostly in the form of flour, but no shipments were reported to Colombia, which country took 227,000 bushels in July-November 1939, and exports to Brazil and the Republic of Haiti were reduced this season.

CANADA: Exports of wheat, including flour,
to principal countries of destination,
July-November, 1938 to 1940

Country of destination	July-November					
	Exports			Percentage of total		
	1938	1939	1940	1938	1939	1940
	1,000 bushels	1,000 bushels	1,000 bushels	Per- cent	Per- cent	Per- cent
United Kingdom.....	41,005	32,261	41,055	50.7	37.0	56.5
Ireland.....	1,147	858	1,044	1.4	1.0	1.4
Netherlands.....	3,240	2,055	-	4.0	2.4	-
Belgium.....	5,906	1,111	-	7.3	1.3	-
Norway.....	2,945	3,063	-	3.6	3.5	-
Sweden.....	433	76	-	0.6	0.1	-
France.....	2,766	704	-	3.4	.8	-
Germany.....	2,820	1,060	-	3.5	1.2	-
Italy.....	322	128	-	.4	.1	-
Orient <u>a</u> /.....	341	489	322	.4	.6	.4
Philippine Islands.....	239	262	195	.3	.3	.3
British West Indies <u>b</u> /.....	1,237	1,800	1,969	1.5	2.1	2.7
Colombia.....	31	227	-	-	.3	-
Venezuela.....	52	52	79	.1	-	.1
Brazil.....	10	12	2	-	-	-
Costa Rica.....	14	16	21	-	-	-
Cuba.....	19	1	68	-	-	-
Guatemala.....	9	4	10	-	-	-
Haiti, Republic of.....	6	5	3	-	-	-
Panama.....	8	6	14	-	-	-
Others.....	3,323	4,345	3,053	4.2	5.0	4.4
Total overseas.....	65,878	48,535	47,835	81.4	55.7	65.8
United States <u>c</u> /.....	15,064	32,616	24,820	18.6	44.3	34.2
Total exports.....	80,942	87,151	72,655	100.0	100.0	100.0

Quarterly reports of the trade of Canada and weekly grain statistics, reporting the official customs returns of the Dominion.

a/ China, Hong Kong, and Japan.

b/ Barbados, Jamaica, Trinidad, Tobago, and other British West Indies.

c/ Mostly wheat for storage and transshipment to overseas markets.

The movement of Canadian wheat into the United States for storage and transshipment was not so large as in the corresponding period of last season. Of this item, actual imports of Canadian wheat by the United States for consumption and milling in bond were reported at about 3.5 million bushels. In July-November 1939, they totaled 4.7 million bushels. The quantities of Canadian wheat shipped from United States ports for overseas markets during the period under review are not known as yet; if such data were available, takings by the United Kingdom would no doubt be considerably larger than indicated. Canadian customs returns report all wheat coming into the United States, for any purpose, as exports.

GRAIN STATISTICS . . .

WHEAT, INCLUDING FLOUR: Shipments from principal exporting countries, as given by current trade sources, 1938-39 to 1940-41

Country	Total		Shipments 1941			Shipments	
	shipments		week ended			July 1-Jan.25	
	1938-39	1939-40	Jan.11	Jan.18	Jan.25	1939-40	1940-41
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels	bushels
North America <u>a/</u>	245,296	209,872	2,728	3,325	3,082	109,240	93,799
Argentina.....	114,272	173,776	624	265	1,323	103,032	55,135
Australia.....	102,116	<u>b/</u>	-	-	-	-	-
Soviet Union.....	39,824	-	-	-	-	-	-
Danube & Bulgaria <u>c/</u> ..	52,848	39,616	-	-	-	-	-
British India <u>a/</u>	<u>d/</u> 10,097	-	-	-	-	-	-
Total above	564,453					<u>e/</u> 212,272	<u>e/</u> 148,934
Total European <u>a/</u>	450,784						
Total ex-European <u>a/</u>	146,760						

Compiled from official and trade sources.

a/ Broomhall's Corn Trade News.

b/ Not available.

c/ Black Sea shipments only.

d/ Official.

e/ North America and Canada only.

GRAINS: Weekly average closing price per bushel, future delivery,
at leading markets, 1939-40 and 1940-41

Week ended	Wheat						Corn			
	Chicago		Winnipeg		Buenos Aires		Chicago		Buenos Aires	
	1939- 40	1940- 41	1939- 40	1940- 41	1939- 40	1940- 41	1939- 40	1940- 41	1939- 40	1940- 41 a/
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
High <u>b/</u>	105	88	81	71	68	66	60	65	56	28
Low <u>b/</u>	82	77	68	69	50	46	52	57	50	28
	May				February		May		February	
Dec. 28	103	86	80	70	68	55	59	61	55	28
Jan. 4	105	87	80	70	67	55	59	63	53	28
11	101	88	79	71	65	55	58	63	51	28
18	101	87	79	70	63	55	58	63	47	28
25	99	86	78	70	62	55	57	63	44	28

Corn prices at Buenos Aires compiled from New York Journal of Commerce; all other prices from Chicago Daily Trade Bulletin. a/ Official price. b/ September 7, 1940, to January 25, 1941, and corresponding dates for 1939-40.

FEED GRAINS: Movement from principal exporting countries,
January 25, 1941

Commodity and country	Yearly exports: Shipments week ended a/					Exports so far reported		
	1938-39	1939-40	Jan. 11	Jan. 18	Jan. 25	July 1: 1939-40	1940-41	
	1,000	1,000	1,000	1,000	1,000	to	b/	b/
BARLEY, EXPORTS: <u>c/</u>	bushels	bushels	bushels	bushels	bushels		bushels	bushels
United States....	11,215	3,532				Dec. 31	2,843	402
Canada	16,537	13,338				Nov. 30	9,264	411
Argentina.....	9,356	18,628				Jan. 4	4,137	2,117
Danube & U.S.S.R.:	26,005	4,297	0	0	0	Jan. 18	3,710	1,000
Total	63,113	39,795					19,954	3,930
OATS, EXPORTS: <u>c/</u>								
United States....	5,106	1,429				Dec. 31	694	455
Canada	13,738	24,330				Nov. 30	7,782	6,415
Argentina.....	19,379	27,624	0	0	62	Jan. 18	14,890	1,230
Danube & U.S.S.R.:	30	250	0	0	0	Jan. 18	70	0
Total	38,253	53,633					23,436	8,100
CORN, EXPORTS: <u>d/</u>						Oct. 1 to:		
United States....	34,369	44,406				Dec. 31	12,170	6,565
Danube & U.S.S.R.:	19,629	5,304	0	0	0	Jan. 18	1,209	0
Argentina.....	142,869	87,766	1,189	1,441	1,173	Jan. 18	28,755	12,984
South Africa.....	25,991	15,499	0	0	0	Jan. 18	6,289	0
Total	222,858	152,975					48,423	19,549
CORN, IMPORTS:								
United States....	442	1,110				Dec. 31	151	663

Compiled from official and trade sources. a/ The weeks shown in these columns are nearest to the date shown. b/ Preliminary. c/ Year beginning July 1.

d/ Year beginning October 1.

V E G E T A B L E O I L S A N D O I L S E E D S

JAPAN CONTROLS

VEGETABLE OILS AND FATS . . .

The Japanese Government has taken steps to control the production and trade of specified vegetable oils and fats, according to information received in the Office of Foreign Agricultural Relations. The establishment of the Japan Vegetable Oil and Oil Materials Company took place on November 18, 1940. This company will be known as the Control Organization and will act under the authority of the Ministry of Agriculture and Forestry. It is to be the sole purchaser of certain raw materials for the production of vegetable oils and fats. These materials will in turn be sold to manufacturers to produce the oil. Oil and meal products will then be purchased by the control organization, which will sell them to the ultimate consumers. Prices, places of sale, distribution, and terms are to be specified by the control organization. Exceptions will be made to provide for the sale of seed to be sown to increase the domestic crop, and in cases where special permission has been obtained directly from the Ministry of Agriculture and Forestry. Domestically produced peanuts, sesame seed, hempseed, and poppy seed are not included in the control.

It appears likely that the new control will cause considerable complication of the vegetable-oil trade. Up to the present time it has been possible for a company to import oilseeds, manufacture the oil, and turn it over to the paint, soap, or other department of the firm. Under the new system a private concern must sell the raw materials to the control, repurchase them, and when the oil is produced it must again be sold to the control and repurchased by the firm's paint, soap, or other department.

ITALIAN GOVERNMENT AMENDS RATIONING
OF EDIBLE OILS AND FATS

Effective October 1, 1940, the Italian authorities rationed the civilian consumption of edible oils and fats. The individual rations were established at a total of 800 grams a month per person. Consumers were allowed to withdraw their rations in any preferred combination, such as all olive oil or all fat or proportionate parts.

On December 13, 1940, the Ministry of Corporations issued an order limiting the consumer's freedom of choice. Different rations were established for various groups of Provinces limiting the allowable maximum of edible oils. Consumers are permitted to substitute fats for oil but not oil for fats.

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C O T T O N - O T H E R F I B E R SLIVERPOOL COTTON MARKET . . .

Spot market inquiry at Liverpool by spinners was more active during the week ended January 24. Business was limited, however, by an acute scarcity of spot supplies. Sales again totaled about 25,000 bales, consisting largely of Brazilian cotton for forward delivery, subject to the availability of import facilities. There were, also, sales of small lots of American "agreement" cotton and of moderate lots of Belgian Congo and French African cottons on "to arrive" terms. Fair sales of Indian forward and of some Egyptian Sudan and Peruvian were also reported. Import buying for all growths continued inactive, and rumors indicated that a bulk purchase for Brazilian cotton is being negotiated. At any rate, merchants were asked to apply for Brazilian freight allotments for January and February shipment.

Manchester trade was reported irregular during the week, with overseas inquiry active but business difficult to arrange. Manufacturers were reported as refusing to quote, since order books are well filled and the delivery capacity of the mills is at present fully taxed. Moderate sales of piecegoods were arranged for shipment to the Empire, South America, and the Netherland colonies. An otherwise unimportant home trade is still being bolstered by Government buying. Mill activity is just about on capacity level considering present conditions and circumstances, including a certain labor and fuel shortage.

JAPANESE PURCHASES
OF AMERICAN COTTON
CONTINUE LOW . . .

Relatively higher prices of American raw cotton and loss of export markets for Japanese textiles are still the principal factors responsible for the sharp decline in imports of American cotton into Japan, according to information received in the Office of Foreign Agricultural Relations. Imports of American cotton during 1940-41 are not expected to exceed 250,000 bales, compared with last year's imports of 896,000 bales, with estimates by some authorities as low as 100,000 bales.

The price spread between American and Brazilian cotton widened during December by 30 to 40 points, with Brazilian nearly 300 points below comparable grades of American. Osaka quotations for American Middling 15/16-inch averaged about 12.45 cents (United States currency) per pound in December, while those for Brazilian number 4 and Indian Akola averaged 9.70 and 7.14 cents, respectively. Prices of American cotton were slightly higher than in November, and Brazilian and Indian somewhat lower.

JAPAN: Imports of raw cotton, by countries, October 1940,
with comparisons
(In bales of 478 pounds net)

Country	September-October			October		
	1938	1939	1940 a/	1938	1939	1940 a/
	Bales	Bales	Bales	Bales	Bales	Bales
United States	112,452	44,235	17,300	55,844	28,773	5,200
India	174,271	135,229	124,700	98,420	74,279	74,400
Egypt	24,299	16,044	3,600	12,434	5,486	3,300
China b/	23,352	60	c/18,100	8,908	60	300
Brazil	99,638	96,500	95,800	46,614	26,181	71,200
Others	6,014	63,019	15,600	2,180	40,427	4,100
Total	440,026	355,087	275,100	224,400	175,206	158,500

Compiled from Japanese trade sources.

a/ Preliminary. b/ Presumably does not include imports for military account in 1939 and 1940. c/ September figure revised.

Imports of Brazilian cotton are still hampered by a shortage of shipping. The cargo space on Japanese vessels available for shipments of cotton from Brazil is limited and subject to allotment, while merchants are reluctant to pay the higher freight rates charged by non-Japanese ships. Imports of Brazilian cotton in 1940-41 are expected to reach 425,000 bales, and higher if freight space becomes available. The recent estimate of 600,000 bales for 1940-41 imports from British India appears reasonable if current market trends continue. Japanese purchases of American cotton are limited largely to that grown in California, although part of the current movement is made up of "subsidy cotton" originally destined for other markets.

Production of cotton yarn for export purposes is fixed at 85,000 bales (of 400 pounds) monthly with indications that the rate of total output for all purposes was about 130,000 bales in November and December. Exports of cotton piecegoods are believed to have declined to about 130 million square yards in December.

No definite decision has been reached relative to the proposed reorganization of the Japan Cotton Merchants Union and establishment of an import control company. Japanese spinners are reported to be strongly opposed to the formation of such a company, which would designate certain approved companies to monopolize the importation and sale of raw cotton in Japan. Press reports indicate that exports of all Japanese textiles to countries outside the yen bloc will also be controlled through a new organization known as the Japan Textile Exporters Association.

INTERNATIONAL TRADE IN COTTON
SHOWS NO IMPROVEMENT

Due to the great trade changes caused by war and the growing number of belligerent nations withholding the publication of trade data, it is becoming difficult to construct the world cotton-trade picture. Analysis of even the available figures is hampered. Some time ago, British India, the largest foreign exporter of cotton, ceased the publication of trade figures. It was recently reported that Egypt, the second-largest foreign exporter, will not make trade figures available after this month.

From August to November 1940, exports of cotton from the six leading exporting countries totaled only 1.2 million bales, compared with the previous low for any like period during the past 7 years of 3.1 million bales in 1934 and an average of 4.1 million bales during the 10 years 1923 to 1932. It is unlikely that data on Indian exports would alter this picture, since imports reported by some of India's principal cotton markets indicate a decline in this trade also.

The decrease in total exports thus far this year, as compared with the corresponding months last year, amounted for the six countries to 2.4 million bales or 66 percent. While important declines were scored in exports of cotton from five of the major exporting countries, drastic reductions in shipments from the United States accounted for approximately 80 percent of the total decline. Exports from the Anglo-Egyptian Sudan, on the other hand, were exactly double their last year's low level. (See summary table showing world cotton exports on page 141.)

During the first 4 months of the season beginning August 1, 1940, the United States exported only half a million bales of cotton, compared with 2.5 million bales last season. Although this represents a decrease of approximately 79 percent, the picture is even more unfavorable (an 85-percent decrease) if the comparison is made with the 10 years, 1923-1932.

A feature of interest in the August-November cotton-export picture was the shipment of 105,000 bales to the Soviet Union. These exports represented the first to that country since November 1937 and the first substantial shipments since the 1934-35 season (August-July), when 115,000 bales were sent. Exports to China during November totaled 4,000 bales, the first for the current season. Shipments to all other countries continued lower.

Egypt did not score an increase in shipments to a single market. Exports declined approximately 66 percent during the period under review as compared with the unusually large shipments during the like period last season, and about 57 percent as compared with the average

for the August-November periods of the 10 years, 1923-1932. It is significant, however, that Egypt continues to export cotton in sizable quantities in spite of the fact that hostilities have spread to northern Africa, and the port of Alexandria has been practically closed to the shipping of merchandise since Italy entered the European war on June 10, 1940. Cotton exports have been limited mainly to the United Kingdom, the United States, Japan, and British India. Negligible amounts have been shipped to China and 23,000 bales to countries not separately classified.

During the first 4 months of the current season, Brazil's exports declined 14 percent from the unusually high level of last season. Brazil fared far better than did the other major exporting countries, whose export decreases ranged from a low of 43 percent for Argentina to a high of 79 percent for the United States. Moreover, Brazil's exports were far above the 10-year average.

Japan, the leading market for Brazilian cotton this year, purchased 143,000 bales. This is an all-time record high and represents an increase of 83 percent compared with last year. In view of the fact that total exports from all countries to Japan declined 50 percent compared with last year, and 56 percent compared with 1938, the increased shipments from Brazil to that country represent a shift on the part of Japanese buyers in their choice of markets. The decrease scored in Japanese purchases of cotton from the United States alone was more than four times greater than the increase that occurred in their purchases from Brazil.

Important increases also occurred in Brazilian cotton shipments to Canada (an increase of from 1,000 bales in 1939 to 56,000 bales this year) and to China. A small increase also took place in the relatively small shipments to the United States, the bulk of which were for transshipment to Canada. The United Kingdom took much less than last year and was the only country, other than those of continental Europe, to which smaller quantities were shipped. Last year the United Kingdom ranked first in importance as a market for Brazilian cotton, with purchases amounting to 25 percent of total exports. This year the United Kingdom, with takings amounting to only 14 percent of total exports, ranked fourth in the list of the six countries to which shipments were made.

Exports of cotton from Peru totaled only 77,000 bales, representing a decrease of approximately 47 percent from last season's level. Almost half (49 percent) of this total was purchased by Japanese spinners who were able to buy at attractive prices as a result of the restricted demand and weak competition from other markets. The United Kingdom took 25 percent of this season's exports, compared with 60 percent last year.

Shipments from the Anglo-Egyptian Sudan were 100 percent above last season's low level, but were approximately 15 percent below the August-November period of 1938. Purchases by the United Kingdom and British India totaled more than 17 times the combined purchases of all other countries.

COTTON: Exports from principal exporting countries, August-November, average 1923-1932, and seasons 1938 to 1940 a/

Destination of exports from principal exporting countries	August-November							
	Quantity				Percentage of total			
	Average 1923- 1932	1938	1939	1940	Average 1923- 1932	1938	1939	1940
Exports from the United States to	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
Germany*.....	880	156	20	0	26	10	1	0
United Kingdom...	756	203	834	307	22	12	34	58
France.....	418	259	258	0	12	16	10	0
Italy.....	263	122	160	0	8	7	6	0
Spain.....	131	2	117	0	4	b/	5	0
Belgium.....	77	47	86	0	2	3	3	0
Soviet Union.....	c/ 62	0	0	105	2	0	0	20
Netherlands.....	58	34	102	0	2	2	4	0
Sweden.....	25	43	153	1	1	3	6	1
Portugal.....	18	8	23	1	1	1	1	b/
Poland & Danzig..	7	64	5	0	b/	4	b/	0
Other Europe.....	26	181	97	1	b/	11	5	b/
Total Europe....	2,721	1,119	1,855	415	80	69	75	79
Canada.....	73	108	138	54	2	7	6	10
Japan.....	502	358	307	22	15	22	12	4
China.....	107	7	116	4	3	b/	5	1
British India....	13	2	d/	d/	b/	b/	b/	b/
Other countries..	5	35	48	31	b/	2	2	6
Total.....	3,421	1,629	2,464	525	100	100	100	100
Egypt								
United Kingdom...	201	144	205	e/ 96	41	28	34	47
France.....	65	50	83	0	13	10	14	0
United States....	52	10	29	e/ 23	11	2	5	11
Germany f/.....	32	77	12	0	7	15	2	0
Italy.....	31	42	27	0	6	8	4	0
Switzerland.....	22	21	47	0	5	4	8	0
Japan.....	21	51	60	g/ 27	4	10	10	13
Spain.....	16	d/	8	0	3	b/	1	0
Czechoslovakia...	10	14	1	0	2	3	b/	0
Belgium-Lux.....	5	4	5	0	1	1	1	0
British India....	4	23	56	35	1	5	9	17
Poland & Danzig..	4	13	3	0	1	3	1	0
China.....	1	7	12	3	b/	1	2	1
Rumania.....	h/	20	11	h/	-	4	2	-
Other countries..	22	31	47	23	5	6	7	11
Total.....	486	507	606	207	100	100	100	100

* Includes shipments through the free port of Bremen, much of which is afterward shipped to other countries.

Continued -

COTTON: Exports from principal exporting countries, August-November, average 1923-1932, and seasons 1938 to 1940 a/ - Con.

Destination of exports from principal exporting countries	August-November							
	Quantity				Percentage of total			
	Average 1923- 1932	1938	1939	1940	Average 1923- 1932	1938	1939	1940
Exports from Brazil to	1,000 bales	1,000 bales	1,000 bales	1,000 bales	Percent	Percent	Percent	Percent
Japan	-	111	78	143	-	26	21	45
United Kingdom.	-	109	92	44	-	25	25	14
Germany	-	55	56	0	-	13	15	0
France	-	55	41	0	-	13	11	0
Italy	-	28	16	0	-	6	4	0
Netherlands ...	-	17	24	0	-	4	7	0
China	-	17	34	54	-	4	9	17
Belgium-Lux. ...	-	12	13	0	-	3	4	0
Poland	-	11	1	0	-	3	<u>b/</u>	0
Portugal	-	6	9	2	-	1	2	1
United States .	-	0	2	8	-	0	<u>b/</u>	2
Spain	-	0	2	0	-	0	<u>b/</u>	0
Canada	-	0	1	56	-	0	<u>b/</u>	18
Other countries	-	9	4	13	-	2	2	3
Total	<u>i/</u> 41	430	373	320	100	100	100	100
Peru								
United Kingdom.	-	87	86	19	-	57	60	25
Germany	-	36	7	0	-	24	5	0
Netherlands ...	-	10	15	0	-	6	10	0
Belgium	-	6	6	0	-	4	4	0
Japan	-	4	14	38	-	3	10	49
France	-	4	4	0	-	2	2	0
Chile	-	2	3	5	-	1	2	6
Italy	-	1	3	0	-	1	2	0
China	-	<u>d/</u>	0	2	-	<u>b/</u>	0	3
United States .	-	0	3	4	-	0	2	5
Other countries	-	2	3	9	-	2	3	12
Total	<u>i/</u> 99	152	144	77	100	100	100	100
Argentina								
United Kingdom.	<u>j/</u> 17	2	3	1	49	3	9	6
Germany	<u>j/</u> 6	47	15	0	16	72	43	0
Spain	<u>j/</u> 4	0	5	18	10	0	14	92
Belgium	<u>j/</u> 3	0	<u>d/</u>	0	9	0	<u>b/</u>	0
France	<u>j/</u> 3	0	0	0	9	0	0	0
Italy	<u>j/</u> 2	0	7	0	6	0	19	0
United States .	<u>j/</u> <u>h/</u>	<u>h/</u>	<u>h/</u>	0	-	-	-	0
Other countries	1	16	5	1	1	25	15	2
Total	<u>j/</u> 36	65	35	20	100	100	100	100

Continued -

COTTON: Exports from principal exporting countries, August-November, average 1923-1932, and seasons 1938 to 1940 a/ - Continued

Destination of exports from principal exporting countries	August-November							
	Quantity				Percentage of total			
	Average:				Average:			
	1923- 1932	1938	1939	1940	1923- 1932	1938	1939	1940
Exports from	1,000	1,000	1,000	1,000	Per-	Per-	Per-	Per-
Sudan to	bales	bales	bales	bales	cent	cent	cent	cent
United Kingdom....	7	65	15	45	95	65	34	52
British India.....	0	21	20	36	0	21	46	42
Italy	d/	3	3	0	b/	3	7	0
France	d/	3	2	0	2	3	6	0
Japan	h/	3	d/	0	-	3	1	0
Switzerland.....	h/	2	1	0	-	2	3	0
Poland	h/	1	d/	0	-	1	b/	0
Germany	h/	1	0	0	-	b/	0	0
Netherlands.....	0	d/	0	0	0	b/	0	0
Other countries....	d/	2	2	5	3	2	3	6
Total	7	101	43	86	100	100	100	100

Compiled from official sources. a/ Bales of 478 pounds net except for the United States and Peru which are 500 pounds gross. b/ Less than 0.5 percent. c/ Excludes Russia in Asia. d/ Less than 500 bales. e/ November data estimated on bases of 3 weeks' preliminary reports. f/ Beginning January 1, 1938, includes Austria. g/ Three months, August-October. h/ If any, included in "Other countries." i/ Data not available by countries. j/ Six-year average, 1924-1929.

COTTON: Summary of world exports, August-November, average 1923-1932, and seasons, 1937 to 1940

Exporting countries	August-November				
	Quantity				
	Average:				
	1923- 1932	1937	1938	1939	1940
	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales
United States	3,421	2,609	1,629	2,464	526
British India	511	304	593	526	a/
Egypt	486	625	507	606	207
Brazil	41	384	430	373	320
Peru	99	158	152	144	77
Argentina	37	15	65	35	20
Sudan	7	91	101	43	86
Total 7 countries	4,602	4,186	3,477	4,191	-
Total excl. British India	4,091	3,882	2,884	3,665	1,236

Compiled from official sources. a/ Data not available.

AFGHANISTAN PLANS
INCREASED COTTON PRODUCTION . . .

The Afghan Government has prepared a 5-year plan that includes direct Government action to encourage greater cotton production, according to information received in the Office of Foreign Agricultural Relations. Cotton gins, presses, and a textile mill have already been established, and provision has been made for experimental farms.

In earlier years, most of the crop was exported to British India and the Soviet Union. Germany imported the bulk of it in 1938 and 1939, but a recent report showed that about 52,000 bales were shipped to British India in 1940. Incomplete data indicate that production has increased from less than 10,000 bales in 1935-36 to around 50,000 bales in 1939-40.

GERMANY USES HOP VINES
TO PRODUCE TEXTILE FIBER. . .

Following 6 years of experimental work, success has been achieved in Germany in utilizing hop vines for obtaining fibrous material for textiles and other uses, according to information received in the Office of Foreign Agricultural Relations. A manufacturing plant is already reported to be under construction for producing fiber from this newly developed raw-material source.

The hop vines are reported to be delivered by the growers without any special processing. For fiber purposes, especially spinning, the vines must undergo a series of chemical and mechanical processes, including drying, decomposition, bleaching, oiling, etc. It is stated that hop fibers, in contrast to linen and hemp, are almost odorless and are three times as strong as cotton. They are more resistant than hemp and do not crumple or wrinkle, the report states. Aside from fiber, the hop vines also yield waste wood, short fibers, and mucilage. The wood and short fibers are used for producing paper and staple-fiber rayon, while the mucilage furnishes a material used for the manufacturing of artificial leather, cardboard, and paper.

Owing to the large amount of heretofore unutilized hop vines that are available, it is believed by some observers that hop vines may even exceed in importance the potato-plant vines as a raw material for paper manufacture. The utilization of potato-plant vines for fiber material is another rather recent development in Germany. It is estimated that utilization of all available hop vines would enable Germany to effect a saving of 50,000 cubic meters in annual consumption of wood for fiber and other purposes, the report concludes.

T O B A C C OSHORTAGE OF TOBACCO SUPPLIES
IN BELGIUM

Leaf tobacco stocks are rapidly declining in Belgium, according to a report received in the Office of Foreign Agricultural Relations. Pipe tobacco and cigarettes, which are now produced only by the larger manufacturers and in very limited quantities, are available only in scattered areas. Before the war, Belgian factories consumed approximately 57 million pounds of leaf tobacco annually, 12 million pounds of which were grown within the country, 14 million imported from the United States, and most of the remainder from the Netherlands Indies.

TOBACCO CROP IN GREECE REDUCED;
MARKETING DIFFICULTIES INCREASE . . .

Latest estimates place the 1940 tobacco crop of Greece at 107.8 million pounds as compared with 125 million in 1939, according to reports received in the Office of Foreign Agricultural Relations. In accordance with a Government regulation to reduce the 1940 tobacco area by 20 percent, last year's crop was produced on 173,277 acres, against 213,400 acres in 1939. Production of types of special interest to the American market reached almost 80 million pounds, comprising 51.4 million pounds of Basma, 10.8 of Bachi-Bagli, 8.2 of Smyrna, 6.2 of Samsun, and 3.1 million pounds of Kaba-Koulak. Production from Virginian seed, with which Greek producers are experimenting, amounted to 28,660 pounds.

The Greek authorities can give no indication as yet regarding acreage to be planted in 1941. This will depend on the disposal of the 1940 crop and the war situation immediately prior to planting.

GREECE: Area and production of tobacco, by districts,
1939 and 1940

District	Area		Production	
	1939	1940	1939	1940
			1,000	1,000
	Acres	Acres	pounds	pounds
Eastern Macedonia and Western Thrace.....	116,166	87,114	71,489	55,516
Central and Western Macedonia.	32,808	29,368	20,825	18,201
Thessaly; Phthiotis, Phokis, Attica, and Islands	30,875	25,550	15,714	14,901
Aetoloacarnania Epirus and Peloponnesus	33,551	31,245	16,962	19,200
Total	213,400	173,277	124,990	107,818

Office for the Protection of Greek Tobacco.

The market situation for the 1940 crop has not been encouraging. A small quantity produced in old Greece and the Islands was sold prior to the outbreak of the Greek-Italian hostilities in October. It is understood that this buying was done by local merchants for their own account, and that prices ranged from 15 to 20 percent higher than a year ago. Since October 28, the market has been very dull pending some clarification of the war and trade situations. An active German interest has been anticipated in the 1940 crop, but the war developments may introduce a change in the market outlook.

Not much American interest in the 1940 crop was displayed through November, as American buying is largely centered in Macedonia and Thrace areas where the buying season does not begin until after Christmas. American purchases from this crop will depend largely upon shipping facilities and the risks involved in the possible extension of war activities to the tobacco regions of northern Greece. The greatest concern of American and other foreign owners of Greek tobacco has been to move stocks of the 1939 crop that they held within the country. Through November, approximately 15 to 20 percent had been shipped, and since that time every effort has been made in cooperation with Greek authorities to move the remainder as quickly as possible.

According to trade sources, something over 50 million pounds purchased by Greek merchants for the account of other countries are still in Greece awaiting shipment. About 28.6 million pounds were destined for Germany; 5.5 million each for England and Finland; 5.1 million for the Austrian monopoly; 3.3 million for Sweden; and 2.6 million for Italy. Part of the purchase by the French Government last winter also remains in Greece.

What disposal will be made of the tobacco brought for the Italian account is undetermined, and much uncertainty also exists as to whether shipment of stocks to the other continental countries can be accomplished. With the exception of the American, British, and French stocks, which were bought outright, it is understood that the other countries have paid only nominal sums on these accounts, most of the purchase money having been advanced by Greek banks and merchants. It is said that the German equity averages about 15 percent. Normally, tobacco purchased by Germany and other continental countries would be paid for by the exchange of merchandise through clearing accounts.

As the turn of the war has brought Greece into active alliance with Great Britain, Greek authorities are hopeful that British tobacco manufacturers will absorb important quantities of tobacco now held in Greek markets. Thus far it is understood that the British have given no indication as to what they may be prepared to do in that direction. During normal times, British purchases of Greek tobacco are inconsequential, but by exception, the British purchased Greek tobacco last winter to the value of about £500,000 (\$2,012,500).

During the first 9 months of 1940, exports of Greek tobacco totaled 79.8 million pounds compared with the same period of 1939 when shipments amounted to 55.3 million pounds. Monthly shipments by countries for the first 9 months of 1940 and for the whole of 1938 and 1939 are shown in the following table.

GREECE: Exports of leaf tobacco, 1938, 1939,
and January-September 1940

Country of destination	Annual		Jan.-Sept.
	1938	1939	1940
	1,000 pounds	1,000 pounds	1,000 pounds
Belgium	2,198	2,877	985
Czechoslovakia	2,515	1,523	-
Finland	3,340	2,610	280
France	470	827	3,635
Germany	56,929	42,937	56,634
Italy	3,100	1,885	3,221
Netherlands	2,075	2,795	265
Poland	3,078	844	-
Sweden	289	3,851	988
United States	21,951	19,211	9,087
United Kingdom	1,109	454	-
Egypt	3,005	1,675	545
Other countries	7,753	6,724	4,120
Total	107,792	88,213	79,760

Compiled from Bulletin Mensuel du Commerce Special de la Grece, avec les Pays Etrangers.

DOMINICAN REPUBLIC TOBACCO CROP
BELOW AVERAGE IN 1940

The quality of the Dominican Republic tobacco crop of 1940 is reported as below average, according to a report received in the Office of Foreign Agricultural Relations from the American consulate in Trujillo. Unseasonable drought followed by heavy rains during the growing season is said to have caused the leaf to have poor texture. So far there have been only unimportant exports, and producers are said to be holding their crops in storage. Sales are being made to local buyers who are warehousing the product for possible future sales. Prices are low, barely covering cost of production.

* * * * *

FRUITS, VEGETABLES, AND NUTSBRITISH COLUMBIA APPLE STOCKSHEAVY IN MID-JANUARY

The unsold balance of the 1940-41 apple crop in British Columbia was estimated at 2,303,000 boxes on January 11, or almost a million boxes above supplies available on the same date in the previous season, according to a report of the British Columbia Fruit Board. The bulk of apples in storage were McIntosh, which accounted for 41 percent of the total, followed by Newtowns with 18 percent, Winesaps and Delicious each with 12 percent, and Romes with 8 percent of the total. The 1940-41 crop is now estimated at more than 100,000 boxes less than that of 1939-40 but, despite the fact that domestic shipments have increased nearly 450,000 boxes, the severe decline in exports has resulted in a heavy accumulation of stocks.

BRITISH COLUMBIA: Disposition of the 1940-41 apple crop, ...
by varieties, to January 11, 1941

Variety	Estimated crop	Estimated shipments			Balance unsold
		Domestic a/	Exports	Total	
	boxes	boxes	boxes	boxes	boxes
Wealthy.....	302	300	2	302	0
McIntosh.....	2,052	1,046	50	1,096	956
Jonathan.....	630	161	403	566	64
Wagener.....	88	85	0	85	3
E. Sundries.....	39	31	6	37	2
Delicious.....	862	217	371	589	273
Romes.....	274	81	0	81	193
Stayman.....	109	23	0	23	86
Winesap.....	304	8	13	21	283
Newtown.....	445	25	17	42	403
Others.....	260	231	0	220	40
Total, 1941.....	5,365	2,208	864	3,062	2,303
1940.....	5,493	1,886	2,279	4,165	1,327
1939.....	5,532	1,917	2,584	4,501	1,031
1938.....	5,705	1,954	2,355	4,329	936
1937.....	4,207	2,006	1,869	3,875	332

British Columbia Fruit Board.

a/ Includes shipments to canneries.

Total apple exports from British Columbia during the current season to January 11, 1941, amounted to only 864,000 boxes, or about 38 percent of the volume exported to the same date during the previous season. The bulk of exports has moved to the United States, shipments totaling 586,000 boxes, or around two-thirds of the total. The larger portion of this movement has consisted of Jonathans, with Delicious shipments second in importance. Exports to South America, consisting almost entirely of Delicious, accounted for nearly 22 percent of the total.

BRITISH COLUMBIA: Exports of apples, by destination
and variety, 1940-41 season to January 11, 1941

Variety	United Kingdom	South Africa	South America	United States	Others	Total
	1,000 boxes	1,000 boxes	1,000 boxes	1,000 boxes	1,000 boxes	1,000 boxes
Wealthy.....	0	0	0	1	1	1
McIntosh.....	0	11	a/	31	8	50
Jonathan.....	0	17	0	385	2	405
E. Sundries.....	0	0	0	6	a/	6
Spitzenberg.....	0	0	0	0	a/	a/
Delicious.....	0	1	187	163	21	372
Winesap.....	0	1	0	0	12	13
Newtown.....	0	2	0	0	15	17
Total, 1941.....	0	32	187	586	59	864
1940.....	2,003	41	135	46	54	2,279
1939.....	2,297	64	100	27	96	2,584
1938.....	2,248	47	26	2	32	2,355
1937.....	1,703	46	46	17	57	1,869

British Columbia Fruit Board.

a/ Less than 500 boxes.

Domestic shipments have increased considerably, largely due to the heavier movement to the eastern Provinces where the 1940-41 apple crop was extremely light. The most important increases this season have been to the Provinces of Ontario and Quebec, and part of this rise is attributable to improved demand conditions resulting from a high wartime level of industrial activity here.

According to reports, the Dominion Government's financial assistance to Canadian apple growers for the current season will be less than had been anticipated. In British Columbia, the Government agreed to pay stipulated prices for a volume up to 1,750,000 boxes when asked

to do so by the British Columbia Fruit Board, but only 750,000 boxes have been packed for Government account. In addition, the Government will pay for between 250,000 and 300,000 boxes of unpicked Jonathans, but no use has been made of the offer to assist in processing up to 200,000 boxes of fruit.

Similarly, in Nova Scotia the Government agreed to pay stipulated prices for up to 1,147,000 barrels if the Nova Scotia Marketing Board sold a minimum of 100,000 barrels in Canada. Reports indicate that around 490,000 barrels have been processed for Government account. Due largely to the very small 1940-41 crop, the Government's liability will be much less than anticipated.

In Ontario, the Government agreed to a small subsidy to encourage processing a maximum of 50,000 barrels of apples but only 20,000 barrels are likely to come under this provision. The provision, applicable to any unsold balance on March 31, 1941, will not be put into effect since no surplus will be available at that date.

BRITISH COLUMBIA: Domestic shipments of apples, by Provinces, 1936-37 to 1940-41 seasons, to January 11.

Province	Season to January 11				
	1936-37	1937-38	1938-39	1939-40	1940-41
	1,000 boxes	1,000 boxes	1,000 boxes	1,000 boxes	1,000 boxes
British Columbia.....	140	210	136	133	180
Alberta.....	516	494	537	567	601
Saskatchewan.....	495	510	504	593	575
Manitoba.....	362	372	374	377	443
Ontario.....	152	96	103	42	185
Quebec.....	240	183	142	5	152
Maritime.....	17	11	11	4	26
Total.....	1,923	1,877	1,806	1,722	2,161

British Columbia Fruit Board.

MEXICAN VEGETABLE SHIPMENTS INCREASED SLIGHTLY

Shipments of Mexican winter vegetables to the United States during the current season to December 31 amounted to 2,168,000 pounds, or slightly above shipments in the same period in 1939, according to a report from American Vice Consul Thomas M. Powell at Nogales, Sonora. Shipments, however, were nearly 50 percent below the volume moved in 1938. Exports of green peppers increased fourfold, but the tomato movement declined somewhat.

MEXICO: Exports of vegetables to the United States,
December 16 to 31 and November 15 to December 31,
1938-1940

Kind of vegetable	December 16 to 31			Nov. 15 to Dec. 31		
	1938	1939	1940	1938	1939	1940
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>	<u>pounds</u>
Tomatoes.....	2,597	1,595	1,521	4,605	3,955	3,571
Green peas.....	75	92	46	75	91	46
Green peppers.....	344	146	601	442	167	699
Eggplants.....	19	0	0	19	0	0
Total.....	3,035	1,833	2,168	5,141	4,213	4,316
Equivalent in carloads						
	<u>Cars</u>	<u>Cars</u>	<u>Cars</u>	<u>Cars</u>	<u>Cars</u>	<u>Cars</u>
Tomatoes.....	172	77	74	313	192	174
Green peas.....	4	5	3	4	5	3
Green peppers.....	13	5	23	15	5	27
Mixed.....	5	0	1	6	0	1
Total.....	194	87	101	338	202	205

American consulate, Nogales.

Limited demand on American markets curtailed shipments of tomatoes during the latter half of December. Prices improved toward the end of the period, and a heavier volume of shipments began to move. Until recently, shipments have originated in the Huatabampo district in southern Sonora, but the crops in Sinaloa are now coming into heavy production, and a small volume of exports from this State is already moving forward. During January around 350 carloads of tomatoes were expected to be offered for export from the Huatabampo district. With a stronger demand, the Huatabampo district could have shipped up to 1,000 carloads in December.

Canada normally consumed a majority of small-sized tomatoes produced in Mexico, but demand this season has been limited. Consequently, the bulk of exports have been of large sizes, which are consumed in the United States. Around 1,200 carloads are expected to be available for export from the State of Sinaloa during the remainder of the season providing prices in American markets are favorable.

The quality of the green peas exported has been good, and the crops are reported to be in healthy condition. Approximately 100 carloads of peas should be available for export during the current season. Shipments of green peppers have been unusually heavy thus far. Supplies of peppers available for export are now placed at about 140 cars.

L I V E S T O C K A N D A N I M A L P R O D U C T S

SOUTHERN HEMISPHERE WOOL SHIPMENTS

LARGE TO THE UNITED STATES

Wool exports from Argentina continued to be heavy in the first 3 weeks of January, the quantity shipped amounting to 35 million pounds, 22 million of which were destined for the United States, compared with 36 and 18 million pounds respectively, for the whole of January 1940. Demand continued to be good, except that there was some uncertainty regarding shipping space. Less interest was shown by United States carpet mills during the last week of the period than earlier. Prices for all grades remained firm. By January 25, stocks of fine and super wool in Uruguay were reported as practically exhausted, with only 30 million pounds of all kinds remaining for sale. The market continued active, with prices firm at 11 pesos per kilogram (cents per pound) for best grades. According to cabled advices received in the Office of Foreign Agricultural Relations, approximately 81 million pounds of the Uruguayan current wool clip had been sold by January 18; 61 million pounds to the United States, 8 million to Japan, and 12 million pounds to Sweden and the Soviet Union.

WOOL: Exports from Argentina and Uruguay, October-December, 1934-1940

Country of destination	Argentina			Uruguay		
	Average 1934-1938	1939	1940	Average 1934-1938	1939	1940
	1,000	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds	pounds
United States	12,367	45,230	77,569	3,797	11,081	35,926
Japan	2,430	4,683	4,588	2,293	840	2,732
United Kingdom ...	18,921	176	4	5,458	-	-
France	9,709	8,377	-	1,305	-	-
Belgium	3,290	1,157	-	1,670	128	-
Netherlands	456	2,283	-	1,094	958	-
Sweden	165	2,456	1,428	467	1,976	3,370
Germany	7,610	-	-	7,464	-	-
Italy	2,471	2,478	-	2,331	2,905	-
Soviet Union	-	-	2,586	-	-	172
Others	3,715	4,626	1,239	918	1,512	542
Total	61,184	71,469	87,514	26,847	19,416	42,742

Compiled from trade reports.

Exports from Argentina to the United States for the first 3 months of the new season (October-December) totaled 78 million pounds and were 71 percent larger than in the same period of 1939 when they were above average. Shipments from Uruguay reached 36 million pounds in the same period and were 3 times as large as in the 1939.

Almost 90 percent of total wool shipments from Argentina have been to the United States so far this season and about 85 percent of those from Uruguay. Outlets in continental Europe, where normally around 45 percent of the Argentine wool surplus and 53 percent of that of Uruguay is marketed, are now cut off, and the only markets remaining, besides the United States, are the United Kingdom, Japan, the Soviet Union, and Sweden and a few other neutral countries.

WOOL: Seasonal shipments to United States from principal Southern Hemisphere countries, to December 31, 1940, with comparisons

Season to December 31/	South America <u>a/</u> October-December		British Empire countries <u>b/</u> July-December			Total
	Argentina	Uruguay	Australia	Union of S. Africa	New Zealand	
	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>	1,000 <u>pounds</u>
1935	14,337	7,962	7,000	1,372	4,100	34,541
1936	19,306	9,813	41,600	2,647	4,500	77,866
1937	1,574	51	3,000	206	2,900	7,731
1938	24,391	1,210	5,700	446	2,800	34,547
1939	45,230	11,081	<u>c/</u> 14,705	21,231	<u>c/</u> 8,799	101,046
1940	77,569	35,926	<u>d/</u>	<u>e/</u> 9,112	<u>d/</u>	<u>f/</u> 122,607

Compiled from official and reliable trade sources.

a/ Season begins October 1. b/ Season begins July 1. c/ Imports into the United States for consumption, according to reports of the United States Department of Commerce. d/ Not available. e/ Declared at American consulates for export to the United States. f/ Three countries only.

As a result of the greatly increased wool shipments from Argentina and Uruguay so far this season, shipments from three of the most important Southern Hemisphere countries to the United States in the current season through December 1/ amounted to 123 million pounds and were larger than shipments from the five principal countries in the corresponding period of 1939.

As the United Kingdom has purchased the exportable surplus of Australia, the Union of South Africa, and New Zealand for the current season, that country has not made any important purchases in South America so far this season. Statistics of exports from Australia and New Zealand are not as yet available for the first 6 months of the new season, July to December, 1940, but shipments from Australia to the United States, on account of American importers and for storage on account of the British Government, are reported to be heavy. As already reported, it is planned to store 250 million pounds of Australian wool in the United States for British Government account for emergency purposes.

1/ Season begins October 1 in Argentina and Uruguay, and July 1 in Australia, New Zealand, and the Union of South Africa.

Exports of wool from New Zealand for the first 3 months of the new season, July to September, 1940, amounted to approximately 22 million pounds and were 27 percent below exports in the corresponding period of 1939, the bulk, of course, going to the United Kingdom and other British Empire countries.

WOOL: Seasonal shipments from five Southern Hemisphere countries, to December 31, 1940, with comparisons

Season to December 31 a/	South America October-December		British Empire countries July-December			Total
	Argentina	Uruguay	Australia	Union of S. Africa	New Zealand	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1935	46	41	436	106	53	672
1936	80	40	447	103	50	720
1937	33	12	387	87	45	564
1938	94	31	458	111	58	752
1939	71	19	321	58	31	502
Average..	65	27	410	93	47	642
1940	88	43	b/	b/	b/	b/

Compiled from official and reliable trade sources.

a/ Season begins October 1 in Argentina and Uruguay and July 1 in Australia, Union of South Africa, and New Zealand. b/ Not available.

Apparent supplies of wool for disposal from the five principal wool-producing countries of the Southern Hemisphere in the season 1940-41, according to preliminary estimates, will be approximately 2,313 million pounds, which is about the same as for last season, but 5 percent above the average for the five seasons, 1935-36 to 1939-40.

WOOL: Apparent supplies in principal countries of the Southern Hemisphere, 1940-41 season, with comparisons

Season	South America		British Empire countries			Total
	Argentina	Uruguay	Australia	Union of S. Africa	New Zealand	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1935-36 ...	378	123	999	246	389	2,135
1936-37 ...	396	127	1,005	284	344	2,157
1937-38 ...	390	119	1,038	250	326	2,123
1938-39 ...	439	146	1,055	269	371	2,280
1939-40 ...	458	143	1,144	265	347	2,357
	412	132	1,048	263	355	2,210
1940-41 ...	481	148	1,006	320	358	2,313

Compiled from official and reliable trade sources.

The estimate for the current season includes the carry-over of unappraised wool only in Australia and some wool in South American countries that had been sold to continental European countries, but not yet exported. In the 5 years, 1935 to 1939, exports from the beginning of the season through December from these five countries averaged 642 million pounds, or around 30 percent of available supplies. This season, notwithstanding the reduced number of markets available for South American wool, the percentage of available supplies marketed by the end of December is larger than it was a year earlier and also larger than the average.

SWEDEN TAKES STEPS TO REMEDY GROWING BUTTER AND FAT SHORTAGE . . .

Owing to the growing shortage of butter and other edible fats, the Swedish Government placed fat imports under Government control on January 20 with the purpose of centralizing the remaining available imports, according to information received in the Office of Foreign Agricultural Relations. Under date of December 29, 1940, butter and other edible fats for household purposes were rationed at 8.8 ounces weekly. 1/

More details have recently become available concerning the steps taken by the Government to cope with the butter shortage of late 1940 and thus far in 1941, resulting from the reduced supplies of both domestic and imported cattle feed available. In November, the Government prohibited the commercial manufacture of cheese with a fat content of more than 30 percent and also the sale and use of cream with a fat content of more than 15 percent, with the object of saving as much milk as possible for butter production. Farmers, however, were exempted from the prohibition to make cheese.

Butter production in the period November 1, 1940, to October 31, 1941, is forecast at 154 million pounds compared with 209 million pounds in the calendar year 1939. It is estimated that the entire quantity will enter domestic consumption. In 1939 domestic consumption accounted for 143 million pounds and the remaining 66 million pounds, or roughly one-third, was exported. Domestic production of margarine in 1940-41 will amount to 66 million pounds, or only half the quantity produced in the calendar year 1939. It is estimated that total butter and margarine consumption in 1940-41 (November-October) will total only 220 million pounds, a decrease of 20 percent compared with 1939. The combined per capita consumption of butter and margarine during 1940-41 will probably be between 15 and 16 kilograms (33 and 35 pounds), a reduction of between 20 and 25 percent as compared with 1939.

1/ See page 2 of Foreign Crops and Markets for January 6, 1941.

Farm production of butter, which is normally relatively small, increased somewhat in late 1940, as owing to the scarcity of creamery butter, farmers were enabled to obtain higher prices by selling directly to consumers. Several steps that were taken by the Government in November and December to improve the butter situation, are as follows: Regulations were issued in November restricting the trade in farm produced butter and cheese and in rennet and milk separators; the sale of farm-produced butter, cheese, and rennet, used in the production of cheese, was restricted to creameries and wholesalers, except with special permission; the price farmers receive for butter was fixed at a higher level than the wholesale price to compensate them for selling to creameries and wholesalers only, and not directly to consumers, the subsidy to be derived from public funds.

The Government Food Commission has also attempted to achieve a voluntary reduction in fat consumption by making an agreement with restaurants to cut down consumption of edible fats to 80 percent of normal. In industrial or urban centers of large consumption, milk is consumed chiefly as such, and only limited quantities are available for butter making; therefore, the shortage of butter is particularly noticeable in those localities. Store owners have endeavored to make an equitable distribution, and the Government has taken measures to make it possible for a district with a surplus to share with a district where a shortage exists.

NATIONAL MEAT BUREAU
ESTABLISHED IN FRANCE . . .

A National Meat Bureau was established as part of the Ministry of Food Supplies in the fall of 1940 in occupied France, by a ministerial order, according to information received in the Office of Foreign Agricultural Relations. The Bureau will control the market for all kinds of meat and the products derived therefore, such as edible offals, fats, and greases.

The decisions made by the Bureau will be compulsory for all producers, wholesalers, merchants, commission agents, and retailers. Trading and handling of livestock, meats, and their products will be permitted only by persons obtaining professional cards from the Government commissary. The sale of cattle and meat may be forbidden outside of regular markets and fairs, but under normal conditions possessors of cards may buy directly from producers.

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- - - - - G E N E R A L A N D M I S C E L L A N E O U S

UNITED KINGDOM CONTROLS HOP AREA . . .

According to an order of the British Ministry of Agriculture dated December 2, 1940, no person is permitted to increase the area under hops without special license of the local War Agricultural Executive Committee. The basic area used for comparison is the area under hop cultivation on June 4, 1940. While this area is not specifically known, earlier reports have indicated a 1940 area in the United Kingdom of around 19,000 acres, or slightly more than in 1939. The order is cited as the Hops (Control of Cultivation) Order of 1940, and its obvious purpose is to prevent an expansion of the hop acreage so that the land may be available for the production of crops that are regarded as more important from the national standpoint. The curtailment of imports and the reduced domestic supplies have created a strong demand and price situation that might well have resulted in a considerable expansion of area if no restriction were imposed.

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FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average values in New York of specified currencies, January 25, 1941, with comparisons a/

Country	Monetary unit	Year 1939	Month				Week ended		
			1938	1939	1940		1941		
			Dec.	Dec.	Nov.	Dec.	Jan.11	Jan.18	Jan.25
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina...	Paper peso	30.85	31.13	29.77	29.77	29.77	29.77	29.77	29.77
Australia b/	Pound	353.38	372.06	313.13	321.57	321.50	321.50	321.50	321.50
Canada b/	Dollar	96.02	99.96	87.62	86.92	86.56	85.89	85.81	83.86
China.....	Shang.yuan	11.88	16.11	7.49	5.84	5.69	5.47	5.35	5.36
England b/	Pound	443.54	467.03	393.01	403.56	403.50	403.50	403.55	403.36
France.....	Franc	2.51	2.63	2.23	c/	c/	c/	c/	c/
Germany.....	Reichsmark	40.06	40.08	40.10	39.98	39.98	39.99	39.98	39.91
Italy.....	Lira	5.20	5.26	5.05	5.04	5.04	5.04	5.04	5.04
Japan.....	Yen	25.96	27.21	23.44	23.44	23.44	23.44	23.44	23.44
Mexico.....	Peso	19.30	19.93	18.19	20.40	20.45	20.50	20.50	20.51
Sweden.....	Krona	23.99	24.05	23.80	23.82	23.82	23.82	23.82	23.83
Switzerland.	Franc	22.52	22.61	22.42	23.20	23.20	23.20	23.20	23.25
		:	:	:	:	:	:	:	:

Federal Reserve Board. a/ Noon buying rates for cable transfers. Denmark, the Netherlands, and Norway have been omitted, as rates are not at present available. The last average monthly quotations were: Denmark, March, 19.31; the Netherlands, April, 57.08 cents; and Norway, April, 22.71 cents.

b/ In addition to the free rate there is also a fixed official buying rate: Australia, 322.80; Canada, 90.91; and England, 403.50 cents.

c/ Not available.

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